



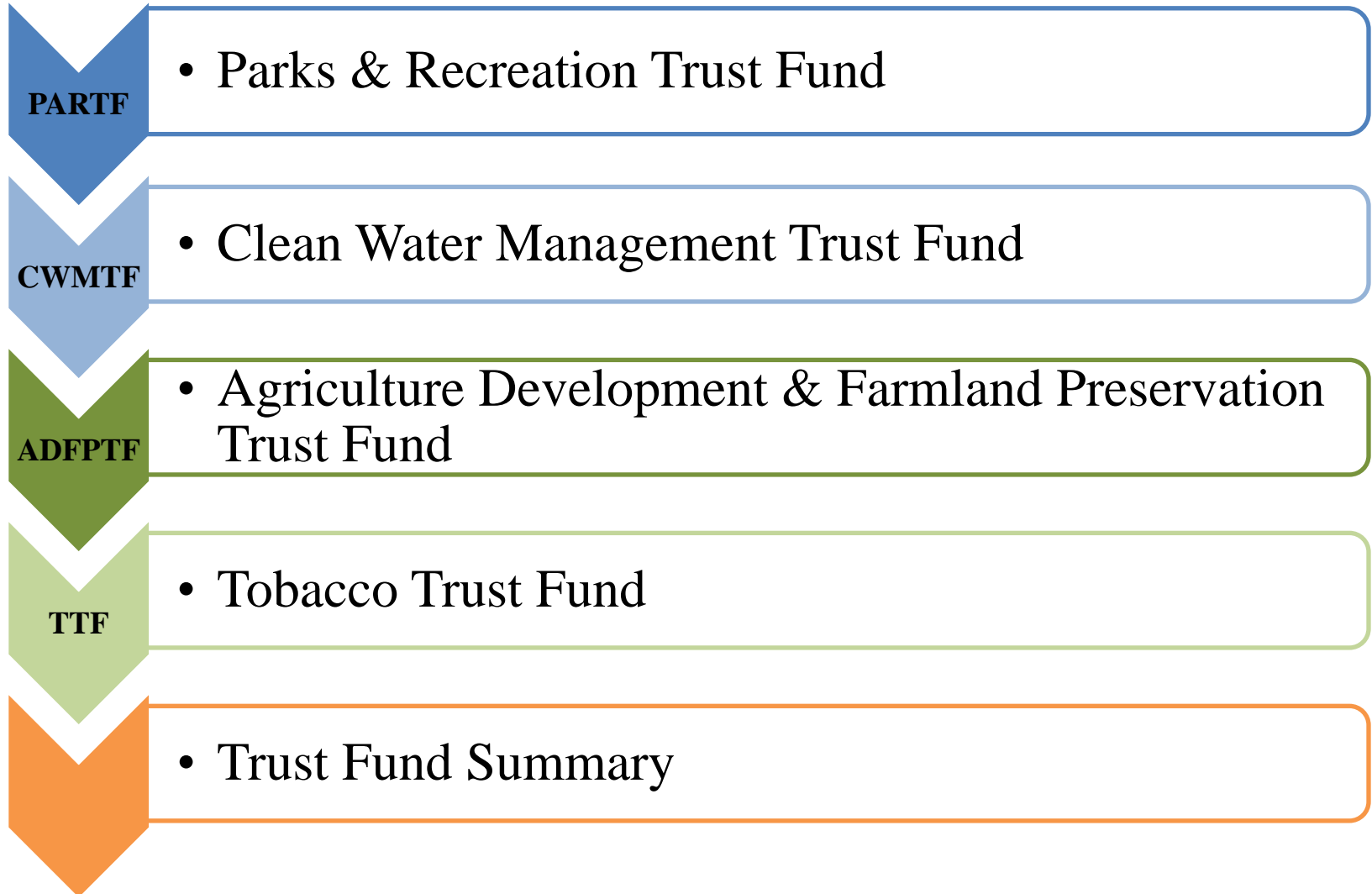
**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# **NER Trust Funds**

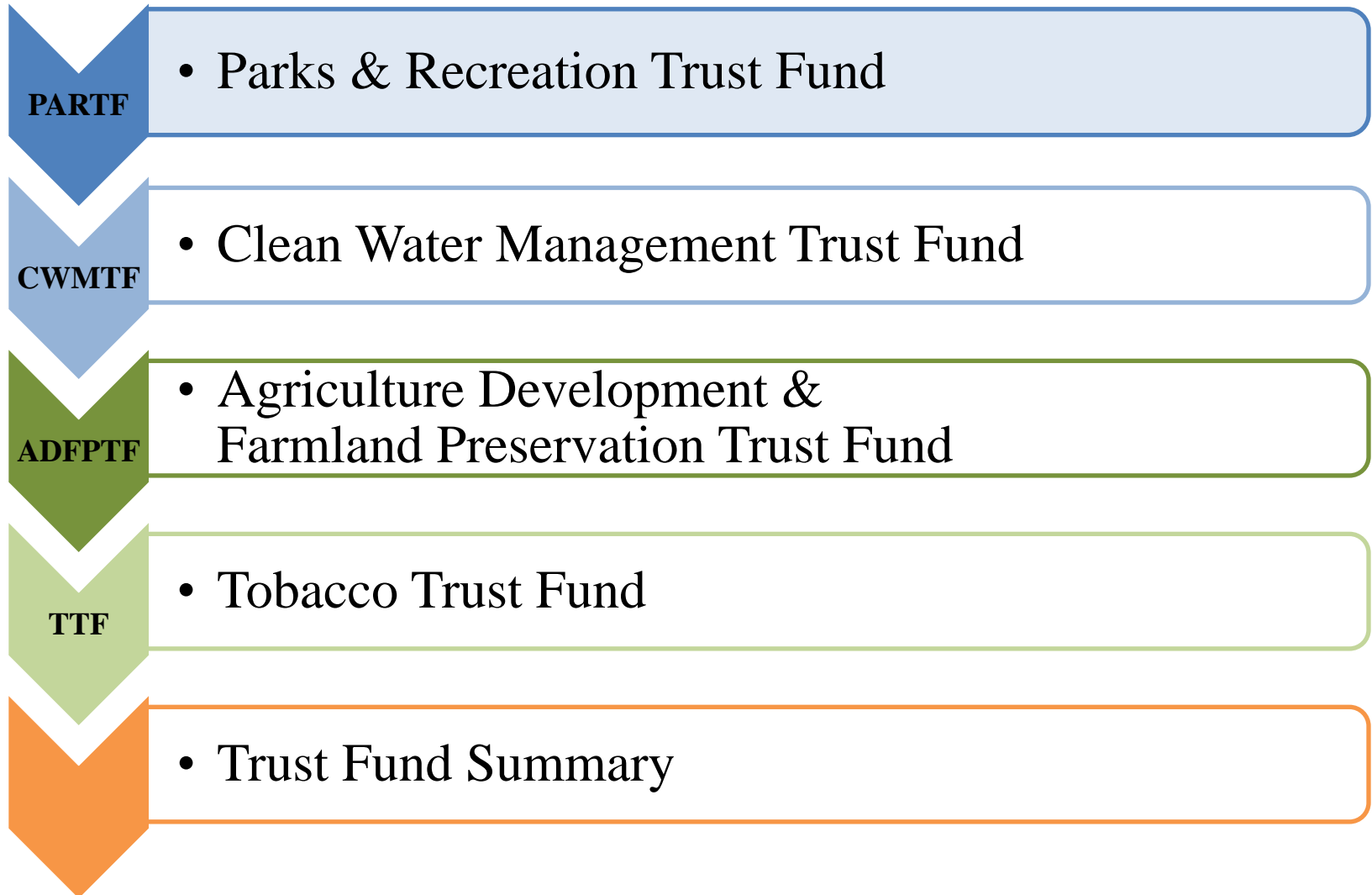
March 23, 2017

Lanier McRee

# Trust Funds Overview



# Trust Funds Overview



# Parks & Recreation Trust Fund (PARTF)

- **Created:** 1994
- **Statutory Authority:** G.S. 143B-135.56
- **Purpose:**
  - To fund improvements in state's park system, to fund grants for local governments and to increase the public's access to the state's beaches.
- **Governance:** 9-member Authority
- **Administrative Costs:** Up to 3%



# PARTF Uses

## Allocation of Funds:

- 65% for State Park land acquisition, capital projects, R&R
- 30% for local government parks & recreation grants
- 5% for Public Beach & Coastal Waterfront Access Program

## Matching Requirements:

- Local Gov't:
  - “Dollar for Dollar”; land donations may be used toward match
- Beach Access:
  - Acquisitions: 15% (Tier I=10%), 100% may be in-kind
  - Improvements: 25% (Tier I=10%), up to 50% may be in-kind



# PARTF Base Budget

\$ in thousands

<i>Parks &amp; Recreation Trust Fund</i>							
	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19	
	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget	
<b>Expenditures</b>	\$ 15,741.5	\$ 22,583.1	\$ (6,330.0)	\$ 16,253.1	\$ (6,330.0)	\$ 16,253.1	
<b>Net Appropriations</b>	<b>\$ 12,247.0</b>	<b>\$ 22,713.1</b>	<b>\$ (6,330.0)</b>	<b>\$ 16,383.1</b>	<b>\$ (6,330.0)</b>	<b>\$ 16,383.1</b>	
<b>Other Receipts</b>	\$ 6,109.8	\$ (4,904.9)	\$ 6,330.0	\$ 1,425.1	\$ 6,330.0	\$ 1,425.1	
<b>+/- Fund Balance</b>	\$ 2,615.3	\$ (4,774.9)	\$ 6,330.0	\$ 1,555.1	\$ 6,330.0	\$ 1,555.1	
<b>Positions</b>	0.00	0.00	0.00	0.00	0.00	0.00	

## Expenses

- \$16.25 M for grants
- Admin budgeted separately
  - \$1.04 M | 15 FTE

## Revenue

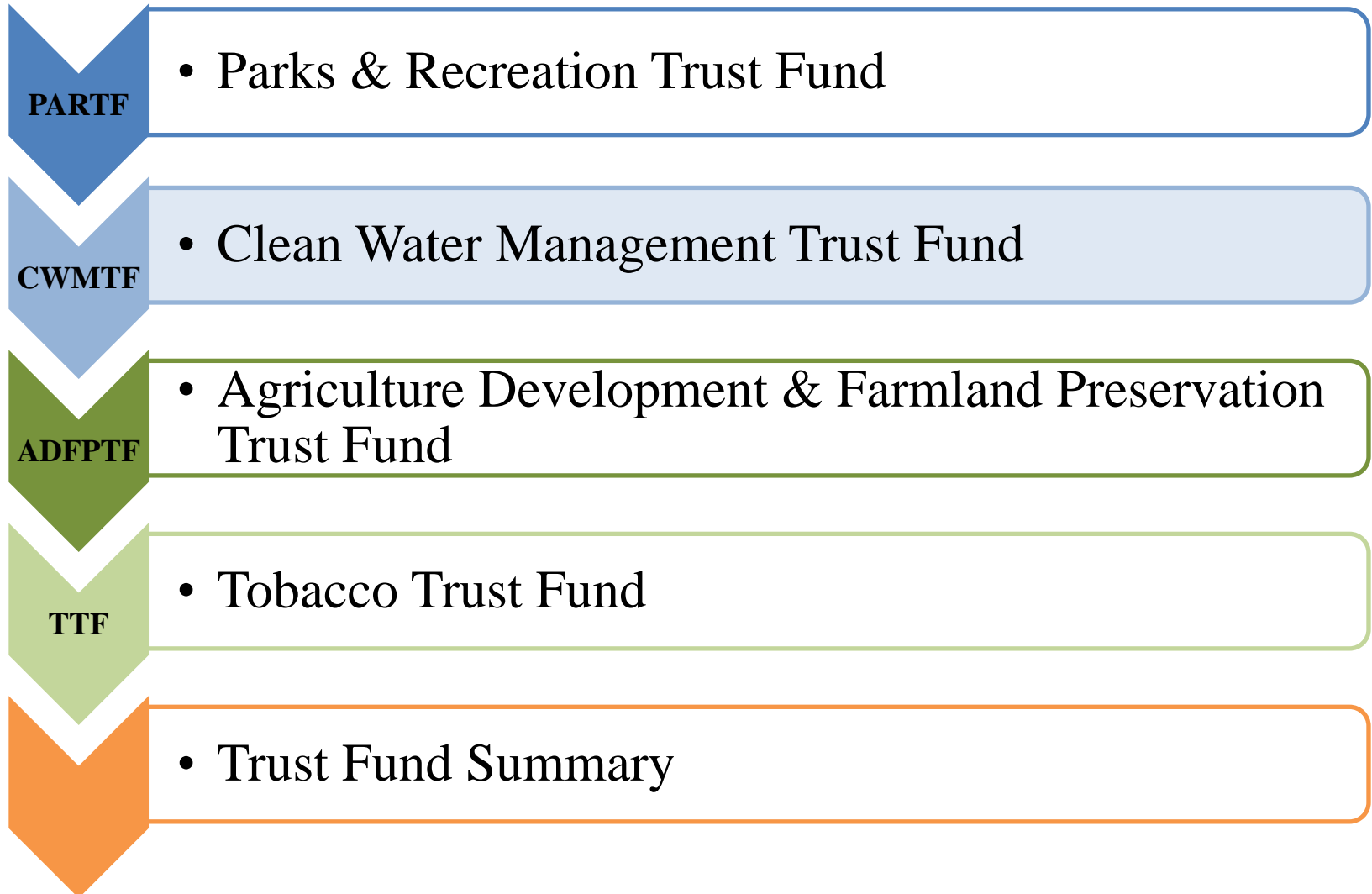
- \$16.38 M net appropriations
- \$1.43 M license plate revenue

## Adjustments:

- FY 2016-17: (\$6.33 M NR)



# Trust Funds Overview



# Clean Water Management Trust Fund (CWMTF)

- **Created:** 1996
- **Statutory Authority:** G.S. 143B-135.230
- **Governance:**
  - 9-member Board
  - 5-member Advisory Council
- **Administrative Costs:** Appropriated separately





# CWMTF Uses

## **Eligible Projects:**

1. Enhance or restore degraded lands to protect water quality
2. Protect unpolluted waters and reduce surface water pollution,
3. Contribute toward riparian buffers and greenways for environmental, educational, and recreational benefits
4. Provide buffers around military bases to protect the military mission
5. Acquire land that represents NC's ecological diversity
6. Acquire land that contributes to the development of a balanced State program of historic properties



# CWMTF Uses

## Ineligible Projects:

- No grant shall be awarded under this Part to satisfy compensatory mitigation requirements under 33 USC § 1344 or G.S. 143-214.11.

## Eligible Applicants:

- Conservation nonprofits, State & local governments

## Matching Requirements:

- The Board of Trustees establish matching requirements
- Match is part of grant selection criteria – 20 of 100 points – split between size of match and source of match



# CWMTF Base Budget

\$ in thousands

Clean Water Management Trust Fund							
	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19	
	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget	
Expenditures	\$ 17,245.0	\$ 25,851.7	\$ (8,600.0)	\$ 17,251.7	\$ (8,600.0)	\$ 17,251.7	
Net Appropriations	\$ 17,657.5	\$ 21,257.5	\$ (8,600.0)	\$ 12,657.5	\$ (8,600.0)	\$ 12,657.5	
Other Receipts	\$ 98.1	\$ 4,594.2	\$ -	\$ 4,594.2	\$ -	\$ 4,594.2	
+/- Fund Balance	\$ 510.6	\$ -	\$ -	\$ -	\$ -	\$ -	
Positions	0.00	0.00	0.00	0.00	0.00	0.00	

## Expenses

- \$17.25 M in new grants
  - \$1 M for military buffers
- Admin budgeted separately
  - \$1.18 M | 10 FTE

## Revenue

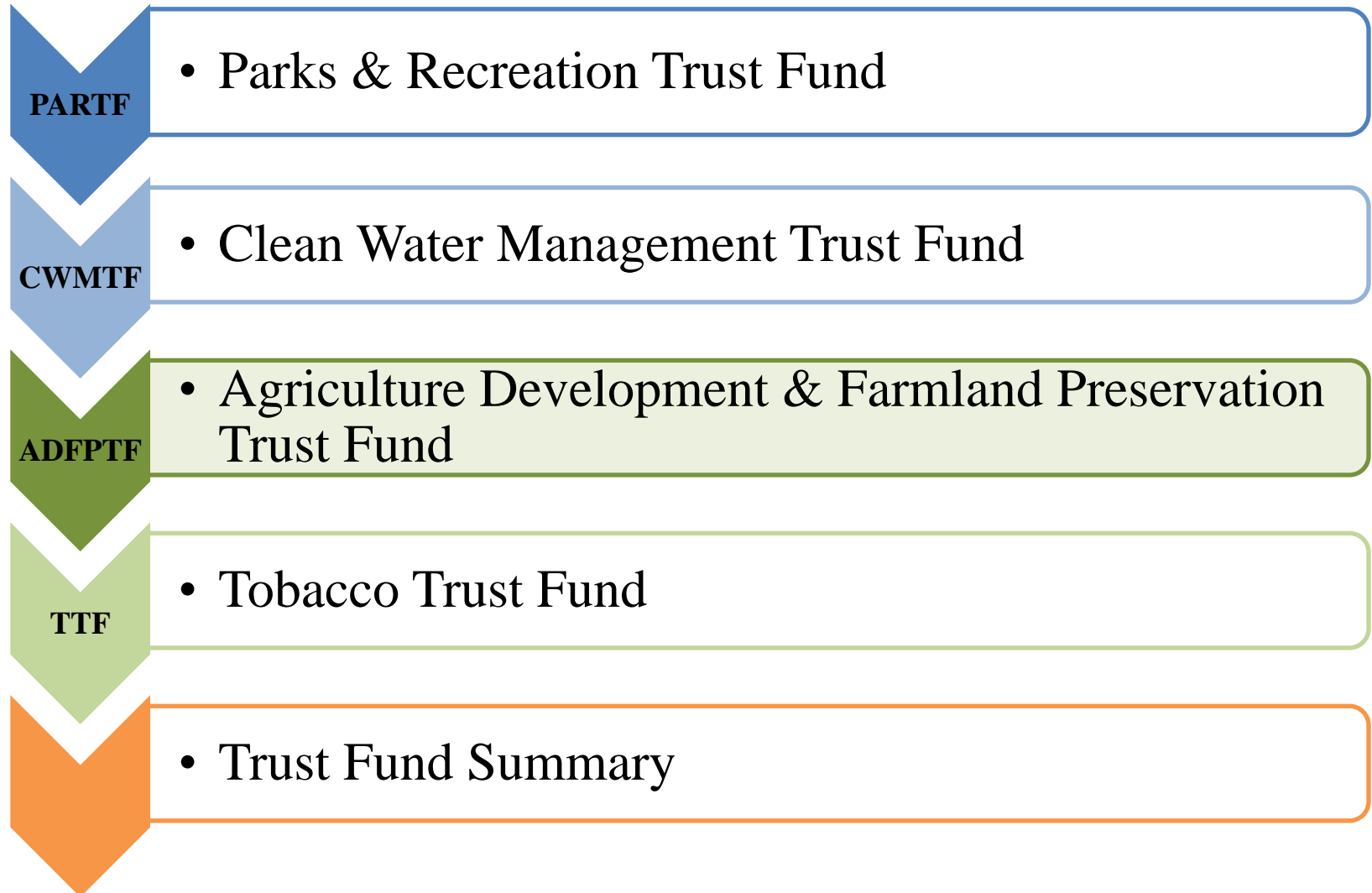
- \$12.66 M net appropriations
- \$4.59 M license plate revenue

## Adjustments:

- FY 2016-17: (\$8.6 M NR)



# Trust Funds Overview



# Agricultural Development & Farmland Preservation Trust Fund (ADFPTF)

- **Created:** 1991
- **Statutory Authority:** G.S. 106-744(c)
- **Purpose:**
  - To purchase agricultural conservation easements or funding programs that promote the development and sustainability of farming and assist in the transition of existing farms to new farm families
- **Governance:** 19-member Advisory Committee
- **Administrative Costs:** None specified



# ADFPTF Uses

## **Eligible Projects:**

- Agricultural conservation easement purchases
- Public & private enterprise programs
- Conservation agreements to keep farmland in active production
- Military Buffers

## **Eligible Applicants:**

- Nonprofits, local gov'ts, DACS

## **Matching Requirements:**

- 30% for nonprofit conservation organizations
- County match varies (0% to 30%) based on tier, status of farmland protection plan



# ADFPTF Base Budget

\$ in thousands

Ag. Development & Farmland Preservation Trust Fund

	2015-16 Actual	2016-17 Authorized	2017-18 Adjust.	2017-18 Base Budget	2018-19 Adjust.	2018-19 Base Budget
<b>Expenditures</b>	\$ 1,063.4	\$ 3,133.3	\$ (1,000.0)	\$ 2,133.3	\$ (1,000.0)	\$ 2,133.3
<b>Net Appropriations</b>	<b>\$ 2,096.3</b>	<b>\$ 3,097.1</b>	<b>\$ (1,000.0)</b>	<b>\$ 2,097.1</b>	<b>\$ (1,000.0)</b>	<b>\$ 2,097.1</b>
<b>Other Receipts</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>+/- Fund Balance</b>	\$ 1,032.9	\$ (36.2)	\$ -	\$ (36.2)	\$ -	\$ (36.2)
<b>Positions</b>	2.00	2.00	0.00	2.00	0.00	2.00

## Expenses

- Admin: ~\$260 K | 4 FTE
  - \$122 K | 2 FTE in General Fund
- \$2 M in new grants
  - \$1 M for military buffers

## Revenue

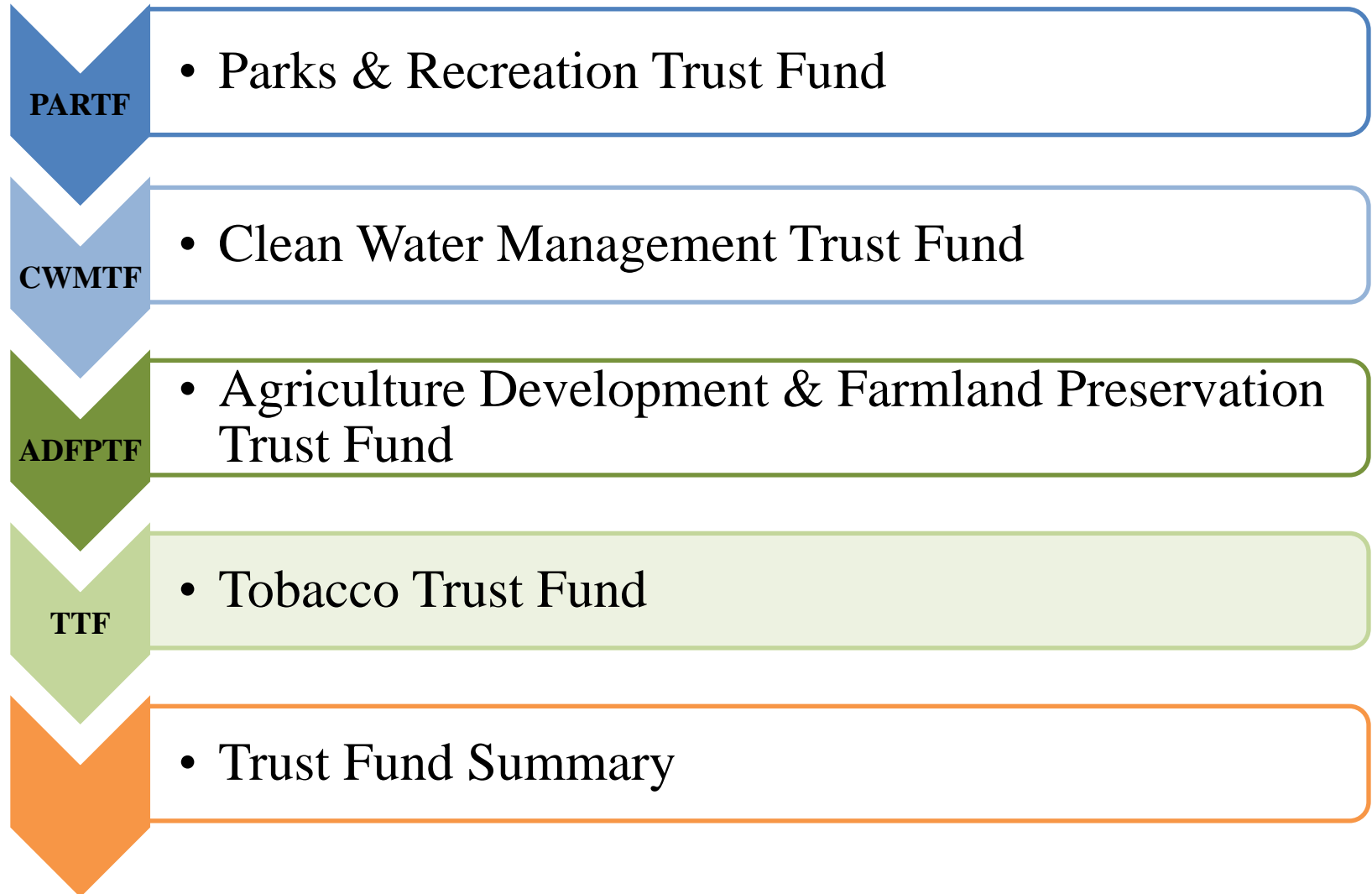
- \$2.1 M net appropriations

## Adjustments:

- FY 2016-17: (\$1 M NR)



# Trust Funds Overview





# Tobacco Trust Fund (TTF)



- **Created:** 2000
- **Statutory Authority:** G.S. 143-715 to 143-724
- **History:**
  - One of 3 entities established to receive NC's Master Settlement Agreement (MSA) funds
  - NC "Phase I" revenue est. \$4.6 B over 25 years
- **Governance:** 18-member board
- **Administrative Costs:** up to \$350,000 annually\*

\* Administrative costs may be adjusted annually so long as the increase does not exceed the amount necessary to provide for NCGA-enacted salary and benefit changes.



# TTF Uses

## Grant Types:

1. Indirect Compensatory Program: indirectly compensate eligible individuals, businesses for economic losses resulting from the MSA
2. Qualified Agricultural Program: support the tobacco-related segment of the State's agricultural economy

## Eligible Applicants:

- Nonprofits, State & local gov't, private entities

## Matching Requirements: None



# TTF Base Budget

\$ in thousands

<i>Tobacco Trust Fund</i>						
	2015-16	2016-17	2017-18	2017-18	2018-19	2018-19
	Actual	Authorized	Adjust.	Base Budget	Adjust.	Base Budget
<b>Expenditures</b>	\$ 2,102.0	\$ 6,462.0	\$ (2,120.0)	\$ 4,342.0	\$ (2,120.0)	\$ 4,342.0
<b>Net Appropriations</b>	<b>\$ 2,528.5</b>	<b>\$ 4,093.5</b>	<b>\$ (2,120.0)</b>	<b>\$ 1,973.5</b>	<b>\$ (2,120.0)</b>	<b>\$ 1,973.5</b>
<b>Other Receipts</b>	\$ 41.1	\$ 251.8	\$ -	\$ 251.8	\$ -	\$ 251.8
<b>+/- Fund Balance</b>	\$ 467.6	\$ (2,116.7)	\$ -	\$ (2,116.7)	\$ -	\$ (2,116.7)
<b>Positions</b>	3.00	3.00	-	3.00	-	3.00

## Expenses

- ~ \$350 K in admin
- \$1.6 M in new grants
- Active prior year grants

## Revenue

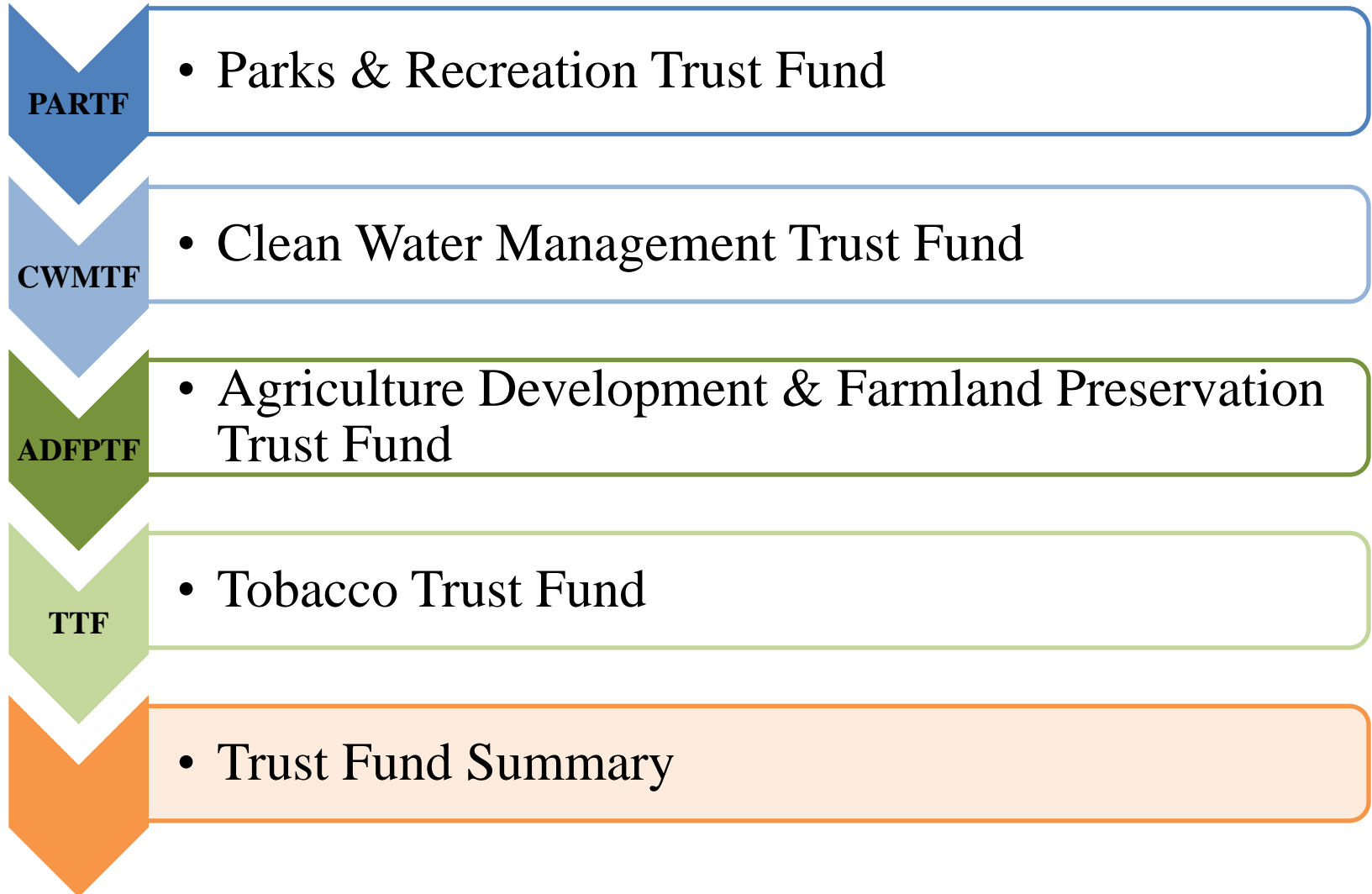
- \$1.97 M net appropriations

## Adjustments:

- FY 2016-17: (\$ 2.12 M NR)



# Trust Funds Overview



# Trust Fund Uses Summary

Fund	Uses	Eligible Applicants
PARTF	<ul style="list-style-type: none"> <li>- State parks</li> <li>- Local parks &amp; rec.</li> <li>- Beach access</li> </ul>	<ul style="list-style-type: none"> <li>- State government</li> <li>- Local governments</li> </ul>
CWMTF	<ul style="list-style-type: none"> <li>- Water pollution prevention/ avoidance</li> <li>- Conservation easements to protect water quality</li> <li>- Military buffers</li> <li>- Land purchases for ecological, historical purposes</li> </ul>	<ul style="list-style-type: none"> <li>- State government</li> <li>- Local governments</li> <li>- Nonprofits</li> </ul>
ADFPTF	<ul style="list-style-type: none"> <li>- Military buffers</li> <li>- Conservation easements to maintain farmland</li> <li>- Agribusiness development</li> </ul>	<ul style="list-style-type: none"> <li>- DACS</li> <li>- Local governments</li> <li>- Nonprofits</li> </ul>
TTF	<ul style="list-style-type: none"> <li>- Agribusiness development</li> </ul>	<ul style="list-style-type: none"> <li>- State government</li> <li>- Local governments</li> <li>- Nonprofits</li> <li>- For-profit businesses</li> </ul>



# Trust Fund Budget Summary

\$ in millions

Fund	Source of Funds	Administrative Costs	FTE
PARTF	- Net appropriation: \$16.4 M - License plates: \$1.4 M	~ \$1.04 M/ year (3% cap)	15
CWMTF	- Net appropriation: \$12.7 M - License plates: \$4.5 M	~ \$1.18 M / year (appropriated separately)	10
ADFPTF	- Net appropriation: \$2.1 M	~\$260 K/ year (no cap stated)	4
TTF	- Net appropriation: \$2.0 M	~\$350 K/ year ((\$350 K cap + adjustment)	3



# Questions?



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*Natural & Cultural Resources*

